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TO AMCONSUL BELIZE

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TAGS: APUB, PFOR, PGOV, PINT, EGEN, BH

SUBJECT: REVISION OF BELIZE BACKGROUND NOTES

1. DEPARTMENT'S BACKGROUND NOTES FOR BELIZE NOW IN PROCESS OF REVISION TO REPLACE EDITION OF NOVEMBER 1972. BUREAU OF PUBLIC AFFAIRS AND GOVERNMENT PRINTING OFFICE REPORT HEAVY DEMAND FOR THIS DOCUMENT, AND PRESSURE FOR NEW EDITION CONSEQUENTLY HIGH. KEY PORTIONS OF NEW DRAFT TEXT INCLUDED BELOW FOR YOUR AMENDMENT AND/OR COMMENTS. WOULD PARTICULARLY APPRECIATE MORE CURRENT ECONOMIC DATA AND YOUR SUGGESTIONS FOR "FOREIGN RELATIONS" SECTION. ALSO NEED DATA ON KEY OFFICIALS, HEALTH CARE AND CONDITIONS, TELECOMMUNICATIONS FACILITIES, AND INTERNATIONAL AND LOCAL TRANSPORTATION FOR "TRAVEL NOTES". PLEASE CABLE RESPONSE TO ARA/CEN BY APRIL 20. TEXT FOLLOWS:

2. ECONOMY

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IN 1973 THE GROSS DOMESTIC PRODUCT (GDP) OF BELIZE WAS ESTIMATED TO BE ABOUT 75 MILLION DOLLARS, OR ABOUT 583 DOLLARS PER CAPITA. THE LATTER FIGURE WAS HIGHER THAN IN MOST OF ITS CENTRAL AMERICAN NEIGHBORS. GDP PROBABLY GREW BY NO MORE THAN TWO PER CENT IN 1974, AND MAY NOT HAVE INCREASED AT ALL.

THE EXPLOITATION OF ITS RICH FORESTS WAS THE ONLY ECONOMIC ACTIVITY OF ANY CONSEQUENCE IN BELIZE UNTIL WELL INTO THE 20TH CENTURY, WHEN THE SUPPLY OF ACCESSIBLE TIMBER BECAME DEPLETED. SUGAR, CITRUS, AND FISHERY PRODUCTS HAVE NOW BECOME THE PRINCIPAL EXPORTS, AND INTEREST EXISTS IN DIVERSIFYING EXPORT AGRICULTURE TO INCLUDE BANANAS, RICE AND TROPICAL FRUITS. BELIZE'S MAJOR NATURAL RESOURCE IS SOME TWO MILLION ACRES OF ARABLE LAND, ONLY A FRACTION OF WHICH IS UNDER CULTIVATION. TO CURB LAND SPECULATION, THE BELIZEAN GOVERNMENT REQUIRES NON-BELIZEANS TO ACQUIRE A SPECIAL LICENSE FROM THE MINISTER OF AGRICULTURE AND LANDS BEFORE THEY CAN ACQUIRE TITLE TO PLOTS OF MORE THAN 10 ACRES IN RURAL AREAS.

EXCEPT FOR SUGAR CANE AND CITRUS PRODUCTS, LOCAL INDUSTRY IS SMALL IN SCALE AND LIMITED IN THE VARIETY OF PRODUCT LINES. THE SMALL DOMESTIC MARKET AND POOR LOCAL TRANSPORTATION FACILITIES LIMIT THE INDUSTRIAL SECTOR'S ABILITY TO EXPAND. THE GOVERNMENT RECENTLY JOINED THE CARIBBEAN COMMUNITY (CARICOM), AND HOPES THE RESULTANT ACCESS TO A MUCH LARGER EXTERNAL MARKET WILL ACCELERATE THE GROWTH OF LOCAL INDUSTRY AND COMMERCIAL AGRICULTURE.

TOURISM BROUGHT IN APPROXIMATELY 3.5 MILLION DOLLARS IN 1974. THE GOVERNMENT'S POLICY, HOWEVER, IS TO ENCOURAGE THE DEVELOPMENT OF A TOURIST INDUSTRY BY BELIZEANS RATHER THAN BY FOREIGNERS, AND TO ASSIST LOCAL ENTERPRISE THROUGH LOANS OBTAINED FROM THE CARIBBEAN DEVELOPMENT BANK. THIS PROGRAM AIMS AT THE CONSTRUCTION OF ONLY RELATIVELY MODEST FACILITIES, BUT THE TOURIST INDUSTRY IS STILL EXPECTED TO EARN SIGNIFICANTLY GREATER AMOUNTS OF FOREIGN EXCHANGE IN FUTURE.

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BELIZE HAS CONSISTENTLY SUFFERED A SUBSTANTIAL DEFICIT IN ITS FOREIGN TRADE, WHICH HAS BEEN FINANCED THROUGH BILATERAL FOREIGN AID (PRIMARILY FROM THE UNITED KINGDOM), FOREIGN INVESTMENT, AND REMITTANCES FROM RELATIVES LIVING ABROAD. IMPORTS IN 1973 TOTALLED 49.9 MILLION DOLLARS, CONSISTING PRIMARILY OF FOODSTUFFS, MACHINERY, TRANSPORTATION EQUIPMENT, AND CLOTHING. EXPORTS IN THE SAME PERIOD REACHED 31.7 MILLION DOLLARS, SOME TWO-THIRDS OF WHICH

WERE ACCOUNTED FOR BY SUGAR EXPORTS TO THE U.K. AND THE U.S. OTHER IMPORTANT EXPORTS WERE CITRUS PRODUCTS AND RICE. THE UNITED STATES AND GREAT BRITAIN ARE BELIZE'S MOST IMPORTANT TRADING PARTNERS, SINCE EACH REPRESENTS ONE-THIRD OF TOTAL IMPORTS AND EXPORTS.

BELIZE RECEIVES SUBSTANTIAL FINANCIAL ASSISTANCE FROM GREAT BRITAIN. THIS BILATERAL AID MAKES UP ALMOST THE

ENTIRE CAPITAL SPENDING PORTION OF THE GOVERNMENT'S BUDGET. IMPORTANT ADDITIONAL ASSISTANCE IS EXPECTED TO COME IN FUTURE FROM THE CARIBBEAN DEVELOPMENT BANK, WHICH OFFERS HIGHLY FAVORABLE BORROWING TERMS TO BELIZE AS A "LESS-DEVELOPED" MEMBER. CARIBBEAN BANK FUNDS ARE BEING USED PRESENTLY TO SUPPORT DEVELOPMENT OF BANANA EXPORTS AND TO CONSTRUCT A MODERN DEEP-WATER PORT AT BELIZE CITY. U.S. FIRMS CAN BID ON SUCH PROJECTS SINCE THE UNITED STATES CONTRIBUTES TO THE CAPITAL RESOURCES OF THE CARIBBEAN BANK.

3. FOREIGN RELATIONS

THE PRINCIPAL EXTERNAL CONCERN FOR BELIZE FOR MANY YEARS HAS BEEN THE DISPUTE BETWEEN GUATEMALA AND THE UNITED KINGDOM OVER SOVEREIGNTY. THIS DISPUTE STEMS FROM DIFFERING INTERPRETATIONS OF AN 1859 TREATY WHICH ESTABLISHED THE BOUNDARIES BETWEEN GUATEMALA AND BRITISH HONDURAS. GUATEMALA HOLDS THAT THE BRITISH CLAIM, BASED ON THE 1859 TREATY, IS VOID BECAUSE THE BRITISH FAILED TO COMPLY WITH CERTAIN OF ITS CLAUSES. GREAT BRITAIN, FOR ITS PART, ASSERTS THAT NEITHER SPAIN NOR GUATEMALA EVER EXERCISED EFFECTIVE SOVEREIGNTY OVER THE AREA AND LIMITED OFFICIAL USE

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THAT GUATEMALA FAILED TO RATIFY THE 1859 AGREEMENT OR TO PRESS ITS CLAIM JURIDICALLY FOR MANY YEARS AFTER THAT DATE. THE UNITED STATES, AT THE INVITATION OF BOTH PARTIES, ATTEMPTED TO MEDiate THE DISPUTE FROM 1965 UNTIL 1968. THE DRAFT TREATY PROPOSED BY THE U.S. MEDIATOR WAS REJECTED BY BOTH GREAT BRITAIN AND GUATEMALA, HOWEVER, AND THE UNITED STATES HAS DECLINED TO UNDERTAKE A SIMILAR MEDIATION EFFORT SINCE THEN.

THE DISPUTE WAS DISCUSSED IN AN INCONCLUSIVE SERIES OF DIPLOMATIC TALKS INVOLVING THE BRITISH, GUATEMALAN, AND BELIZEAN REPRESENTATIVES IN 1975, FOLLOWING WHICH THE MATTER WAS TAKEN UP IN THE UNITED NATIONS GENERAL ASSEMBLY. IN DECEMBER 1975, THE U.N. APPROVED A RESOLUTION CO-SPONSORED BY THE U.K. AND MANY OTHER U.N. MEMBERS CALLING FOR

BELIZEAN INDEPENDENCE AND URGING THE BRITISH AND GUATEMALANS TO SEEK A NEGOTIATED SETTLEMENT TO THEIR DISPUTE. TALKS ON THE PROBLEM WERE SCHEDULED TO REOPEN DURING THE FIRST HALF OF 1976.

IN SEEKING TO STRENGTHEN ITS POTENTIAL FOR ECONOMIC AND POLITICAL DEVELOPMENT, BELIZE HAS SOUGHT TO BUILD CLOSER TIES WITH BOTH THE SPANISH-SPEAKING COUNTRIES OF CENTRAL AMERICA AND WITH THE ENGLISH-SPEAKING CARIBBEAN STATES. EFFORTS TO DEVELOP TIES WITH THE CARIBBEAN GOVERNMENTS HAVE BEEN MORE SUCCESSFUL, HELPED SUBSTANTIALLY BY BELIZEAN MEMBERSHIP IN CARICOM.

4. U.S.-BELIZEAN RELATIONS

U.S. RELATIONS WITH BELIZE ARE CONDITIONED BY THE TERRITORY'S CONTINUED STATUS AS A BRITISH CROWN COLONY. THE UNITED STATES HAS LONG RECOGNIZED THAT THE UNITED KINGDOM EXERCISES DE FACTO SOVEREIGNTY OVER BELIZE. IN THE PAST, THE U.S. GOVERNMENT MADE AVAILABLE SEVERAL MILLION DOLLARS IN ASSISTANCE TO BELIZE, PRINCIPALLY IN THE FORM OF P.L. 480 FOODSTUFFS, A HOUSING GUARANTY PROGRAM, AND A SMALL TECHNICAL ASSISTANCE PROGRAM. AT PRESENT, U.S. ASSISTANCE IS LIMITED TO A SUBSTANTIAL PEACE CORPS PROGRAM (60 VOLUNTEERS), INVESTMENT INSURANCE (OFFERED BY THE OVERSEAS PRIVATE INVESTMENT CORPORATION), AND A SMALL DISCRETIONARY FUND ADMINISTERED BY THE CONSUL GENERAL IN LIMITED OFFICIAL USE

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BELIZE CITY.

5. TRAVEL NOTES

CLOTHING - BELIZE'S TROPICAL CLIMATE CALLS FOR LIGHT-WEIGHT, WASHABLE CLOTHING.

CUSTOMS - U.S. CITIZENS MAY ENTER BY AIR FOR TOURISM WITH PROOF OF CITIZENSHIP AND RETURN OR ONWARD TICKET. ENTRY BY LAND OR SEA ALSO REQUIRES PROOF OF CITIZENSHIP AND SUFFICIENT FUNDS TO COVER STAY AND RETURN TRAVEL. TOURIST ENTRY GOOD UP TO ONE MONTH. SMALLPOX IMMUNIZATIONS REQUIRED.

HEALTH - MEDICINES AND CARE AVAILABLE FOR ORDINARY NEEDS IN BELIZE CITY. MEDICAL EMERGENCIES MAY REQUIRE EVACUATION. PUBLIC SANITARY CONTROLS ARE BELOW U.S. STANDARDS AND THE BELIZE CITY WATER SUPPLY IS CONTAMINATED. FOOD SERVED IN LOCAL RESTAURANTS IS GENERALLY SAFE.

TELECOMMUNICATIONS - LOCAL AND INTERNATIONAL TELEPHONE AND TELEGRAPH SERVICE IS AVAILABLE IN BELIZE CITY.

TRANSPORTATION - BELIZE IS SERVED BY SEVERAL CENTRAL AMERICAN AIRLINES WITH CONNECTIONS TO MEXICO, CENTRAL AMERICA, AND THE U.S. INTERNAL TRANSPORTATION IS PROVIDED BY BUSES AND CHARTERED LIGHT AIRCRAFT AND BOATS. BELIZE CITY IS SERVED BY ... (INSERT APPROPRIATE REFERENCE TO ANY PUBLIC TRANSPORT SYSTEM - TAXIS, BUSES, ETC.). KISSINGER

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